



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
www.uspto.gov

KLARQUIST SPARKMAN, LLP  
121 SW SALMON STREET  
SUITE 1600  
PORTLAND OR 97204

**MAILED**  
**JAN 27 2012**  
**OFFICE OF PETITIONS**

In re Patent No. 6,126,944 :  
Issued: October 3, 2000 : ON PETITION  
Application No.: 08/480,850 :  
Filing Date: June 7, 1995 :  
Attorney Docket No. 1414.657 :

This is responsive to the Response to Request for Information filed September 19, 2011, and a decision on the petition under 37 CFR 1.378(b), filed June 1, 2011, to reinstate the above-cited patent.

The petition is **dismissed**.

The patent issued October 3, 2000. The 7.5 year maintenance fee could have been paid from October 3, 2007, through April 3, 2008, or with a surcharge, as authorized by 37 CFR 1.20(h), during the period from April 4, 2008, to October 3, 2008. Petitioner did not do so. Accordingly, the patent expired at midnight on October 3, 2008.

A grantable petition under 37 CFR 1.378(b) must be accompanied by a showing to the satisfaction of the Commissioner that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable. The showing of record is not sufficient to establish to the satisfaction of the Commissioner that the delay was unavoidable within the meaning of 37 CFR 1.378(b).

**Opinion**

**Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.**

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.<sup>1</sup>

<sup>1</sup>The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee . . . at any time . . . if the delay is shown to the satisfaction of the Commissioner to have been unavoidable." (emphasis added).

"In the specialized field of patent law, . . . the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference." Rydeen v. Quigg, 748 F. Supp. 900, 904, 16 U.S.P.Q.2d (BNA) 1876 (D.D.C. 1990), aff'd without opinion Rule 36), 937 F.2d 623 (Fed Cir. 1991) (citing Morganroth v. Quigg, 885 F.2d 843, 848, 12 U.S.P.Q.2d agencies' interpretation of a statute it administers is entitled to deference"); see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or

However, “[t]he question of whether an applicant’s delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account.”<sup>2</sup> Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP, or the Official Gazette notices does not constitute unavoidable delay.<sup>3</sup> The statute requires a “showing” by petitioner, therefore; petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to “show” that the delay was unavoidable.

Petitioner is responsible for possessing knowledge of the need to pay maintenance fees and the due dates for such fees, Petitioner is responsible for instituting a reliable docketing system to remind him or her when maintenance fees become due.

Petitioner is responsible for having knowledge of the need to pay maintenance fees and knowing when the fees are due.<sup>4</sup> The Office has no duty to notify a patentee of the requirement to pay maintenance fees or to notify patentee when a maintenance fee is due.<sup>5</sup> Even if the Office were required to provide notice to

---

ambiguous with respect to the specific issue, the question for the court is whether the agency’s answer is based on a permissible construction of the statute.”))

“The critical phrase ‘unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable’ has remained unchanged since first enacted in 1861.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The standard for “unavoidable” delay for reinstating a patent is the same as the unavoidable standard for reviving an application. See Ray v. Lehman, 55 F. 3d 606, 608-609, 34 U.S.P.Q.2d (BNA) 1786, 1781 (Fed Cir. 1995) (Citing In re patent No. 4,409,763, 7 U.S.P.Q.2d (BNA) 1798, 1800 (Comm’r Pat. 1990; Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P. Q. (BNA) 977 (D.C. Cir. 1982). The court in In re Mattullath, accepted the standard which had been proposed by Commissioner Hall which “requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.” In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm’r Pat 31, 32-33 (1887)).

<sup>2</sup>Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

<sup>3</sup>See Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (plaintiffs, through their counsel’s action, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

<sup>4</sup>Nonawareness of PTO statutes, PTO rules, the MPEP, or Official Gazette notices, which state maintenance fee amounts and dates they are due does not constitute unavoidable delay. See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (Plaintiffs, through their counsel’s actions, or their own must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

Petitioner must act as a reasonable and prudent person in relation to his most important business. Upon obtaining the patent, a reasonable and prudent person, in relation to his most important business, would become familiar with the legal requirements of that business, in this case, the requirement to pay maintenance fees. In addition, a reasonable and prudent individual would read the patent itself and thereby become aware of the need to pay maintenance fees and the fact that such fee amounts are sometimes changed by law or regulation.

<sup>5</sup>Congress expressly conditioned §§ 133 and 151 [of the United States Code] on a specific type of notice, while no such notice requirements are written into § 41(c) . . . [T]he Commissioner’s no timely-notice interpretation.” Ray v. Comer, 1994 U.S. Dist.

applicant of the existence of maintenance fee requirements, such notice is provided by the patent itself.<sup>6</sup>

A reasonable and prudent person, aware of the existence of maintenance fees, would not rely on maintenance fee reminders or on memory to remind him or her when payments would fall due several years in the future. Instead, such an individual would implement a reliable and trustworthy tracking system to keep track of the relevant dates.<sup>7</sup> The individual would also take steps to ensure that the patent information was correctly entered into the tracking system.

### **Application of the unavoidable standard to the present facts**

In the instant petition, petitioner argues that the above-cited patent should be reinstated because the delay in paying the 7.5-year maintenance fee was unavoidable. More specifically, petitioner maintains that, after a contract was awarded to new law firms for the tracking and payment of the maintenance fees for the patents held by the assignee, the subject patent file was not routed to the proper place in accordance with assignee's established procedures. Petitioner states that the established procedure was for all active patent files to be sent by Needle & Rosenberg (the prior law firm) to one of two new law firms awarded the contract, either Klarquist Sparkman or Gifford Krass. In the period spanning 2007 and 2008, the assignee was undergoing a series of personnel transitions and patent files were being transferred to the new law firms. Petitioner states that it was the assignees' understanding that only inactive files would be sent to the assignee, while the active files would be sent to one of the two new law firms. So as to run out all of the funds from the government contract, Needle & Rosenberg retained management of some patent

---

LEXIS 21478, 8-9 (1994), *aff'd on other grounds Ray v. Lehman*, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995) (Citing *Rydeen v. Quigg*, 748 F. Supp. 900, 905 (1990), *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 81 L. ed. 2d 694, 104 S. Ct. 2778 (1984)). "The Court concludes as it did in *Rydeen*, that as a constitutional matter, 'plaintiff was not entitled to any notice beyond publication of the statute.'" *Id.* at 3 (citing *Rydeen v. Quigg*, 748 F. Supp. at 906, *Texaco v. Short*, 454 U.S. 516, 536, 70 L. Ed. 2d 738, 102 S. Ct. 781 (1982)).

The Patent Office, as a courtesy tries to send maintenance fee reminders and notices of patent expiration to the address of record. However, the failure to receive the reminder notice, and the lack of knowledge of the requirement to pay the maintenance fee, will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. See MPEP 2575, 2540, 2590. Petitioner does not have a right to a personalized notice that this patent will expire if a certain maintenance fee is not paid, as the publication of the statute was sufficient notice. See *Rydeen v. Quigg*, 748 F. Supp. 900, 907 (1990). the ultimate responsibility for keeping track of maintenance fee states lies with the patentee, not the USPTO. Since the mailing of Notices by the Office is completely discretionary and not a requirement imposed by Congress, accepting an argument that failure to receive a Notice is unavoidable delay would result in all delays being unavoidable should the Office discontinue the policy. All petitions could allege non-receipt of the reminder, and therefore all petitions could be granted. This was clearly not the intent of Congress in the creation of the unavoidable standard.

<sup>6</sup>See *Ray v. Lehman*, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995). The Letters of Patent contain a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. While it is unclear as to who was and is in actual possession of the patent, petitioner's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay.

<sup>7</sup> 37 CFR 1.378(b)(3) precludes acceptance of a late maintenance fee for a patent unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. The federal Circuit has specifically upheld the validity of this regulation: *Ray v. Lehman*, 55 F.3d 606, 609; 34 USPQ2d (BNA) 1786 (Fed.Cir. 1995). In *Ray v. Lehman*, petitioner claimed that he had not known of the existence of the maintenance fees and therefore had no steps in place to pay such fees. The petitioner therefore argues that the PTO's regulation, 37 CFR 1.37(b)(3), *supra*, arguing that it 'creates a burden that goes well beyond what is reasonably prudent.' We disagree, The PTO's regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay." *Id.*

files, including the subject patent. However, petitioner states that by late 2007, Needle & Rosenberg's contract has expired and funding was depleted. At that time, many active and inactive files were sent directly to CDC. This was contrary to the assignee's understanding of the process. Believing that only inactive files would have been transferred to it, the assignee did not review the contents of the boxes that were sent to it directly from Needle & Rosenberg nor did it review the spreadsheets of the boxes content that Needle & Rosenberg sent. Petitioner surmises that this miscommunication between the assignee and Needle & Rosenberg resulted in the non-payment of the 7.5-year maintenance fee.

Petitioner further notes that the delay in paying the 7.5-year fee was exacerbated by a clerical error that resulted in the Notice of Patent Expiration sent in November 2008 not being noted and acted upon. Specifically, petitioner concedes that the Notice of Patent Expiration was received in November 2008, however, Ms. Veronica Brown, Management and Program Analyst for the assignee failed to enter the Notice of Patent Expiration in the assignee's database. Because Ms. Brown did not enter any information regarding the Notice of Patent Expiration in the assignee's database, the expired status of the patent was not reflected in the assignees' database. The expiration of the patent went unattended to until April 13, 2011, when Mr. Valetin Fikovsky again found that the patent was expired after a search of the USPTO PAIR database.

The arguments have been considered, but are not persuasive as the showing made in the petition is incomplete. Further to this point, Section 711.03(c)(2) provides, in pertinent part that:

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner has not established that the entire delay—from the expiration of the patent to filing of a grantable petition under 37 CFR 1.378(b)—was unavoidable. Petitioner's argument that it was fully the responsibility of one of two law firms to track and pay the maintenance fee for the patent which relieved the assignee of any responsibility for maintenance of the patent is without merit. Simply because the assignee contracted out the responsibility for tracking and paying the maintenance fee for patent does not relieve the assignee of the burden of establishing that the assignee treated the maintenance of the patent as its most important business during the entire period in question. Petitioner was made aware in November 2008, that the patent was in an expired status. It appears that the Notice of Patent Expiration was sent to several agents of the assignee, yet, for various reasons, no one acted on the Notice of Patent Expiration until April 2011.

- The declaration of Veronica Brown states that she received the Notice of Patent Expiration on December 9, 2008, but that notice came in "outside [the assignees] normal procedures." So, she did not enter it into the assignee's database.
- The declaration of Sharon Shropshire, Technology Transfer Assistant for the assignee, states that she date-stamped the Notice of Patent Expiration on November 28, 2008, but, because it was accompanied by a letter that was addressed to Mr. Paco Candal, Ms. Shropshire put the Notice of Patent Expiration into Mr. Candal's mailbox, rather than forward it to Ms. Brown, which was contrary to established procedure.
- The declaration of Cynthia Sherwood, Technology Development Coordinator for the assignee, states that on December 4, 2008, Mr. Candal sent her a copy of the Notice of Patent Expiration by e-mail. Mr. Candal is a Patent Advisor for the assignee. So, Ms. Sherwood states that she

reasoned that since Mr. Candal had the notice that the notice had already been docketed by Ms. Brown. Thus, Ms. Sherwood concluded that no further action was required on the part of the administrative staff. Notwithstanding, Ms. Sherwood indicates that she forwarded a copy of the e-mail to Ms. Brown and Ms. Shropshire on December 9, 2008.

- The declaration of Mr. Paco Candal, Patent Advisor, states that he received the e-mail copy of the Notice of Patent Expiration on December 9, 2008. He determined that the patent was not on his docket and forwarded the e-mail to Valentin Fikovsky, Patent Advisor, and the Director Andrew Watkins. He copied Ms. Suzanne Shope and Donald Prather. He also copied Ms. Sherwood. Mr. Candal states that, because the patent was licensed, he believed the appropriate Patent Advisor would take any further action if necessary.
- The declaration of Ms. Suzanne Shope, Technology Licensing, and Marketing Scientist for the assignee, states that she received the e-mail from Mr. Candal, but “[s]ince [the assignee] does not internally prosecute patent applications or pay maintenance fees, the normal procedure is that the Patent Advisor would be contacted by our outside counsel for any action required in response to any patent correspondence. As I was not working as the Patent Advisor for this matter, no action was required on my part.”
- The declaration of Valentin Fikovsky, Senior Patent Advisor for the assignee, notes that Mr. Fikovsky received a copy of the Notice of Patent Expiration by e-mail, however, he states that, “[w]hen the Notice was received, I assumed that since U.S. Patent No. 6,126,944 was licensed, outside counsel would have the patent file, and would contact me to inform me of any relevant deadlines, and provide advice as to how to revive the patent.”

It is evident from the petition and the, and the several accompanying declarations, that the assignee was aware of the expiration of the patent in 2008, but none of the assignee’s agents acted on the matter believing it to be someone else’s responsibility or, finally, the responsibility of the outside contracted law firm. Arguably, this is not treating the maintenance of the patent as one’s most important business a duty of which the assignee is not relieved just because the responsibility for tracking and paying the maintenance fee was contracted out. This is true especially considering that the assignee was in a period of transition in personnel and the law firms contracted to track and pay maintenance fees for the hundreds of patents the assignee owns. Arguably, an inquiry with the USPTO or the contracted law firm by any of the several people noted above may have averted the expiration of the patent or certainly lessened the three year time period that the patent remained expired before a petition under 37 CFR 1.378 was filed. Instead, it appears that the patent remained expired for three years longer than may have been necessary because none of the assignee’s agents took the reasonably diligent step of inquiring about the process of reinstating the patent. The assignee’s reliance upon an outside law firm does not provide the assignee with an absolute defense, but rather shifts the focus to whether the law firms acted reasonably and prudently. The assignee, as the patent holder, still must demonstrate that during all relevant periods the assignee treated the maintenance of the patent as its most important business. The petition fails in this respect.

- Further, it is noted that petitioner states that the extended delay resulted from a clerical error committed by Ms. Verionca Brown, however, the declaration of the declaration of Sharon Shropshire, Technology Transfer Assistant for the assignee, states that she date-stamped the Notice of Patent Expiration on November 28, 2008, prior to the notice being forward to Ms. Brown on December 9, 2008, but, because it was accompanied by a letter that was addressed to Mr. Paco Candal, Ms. Shropshire put the Notice of Patent Expiration into Mr. Candal’s mailbox, rather than forward it to Ms. Brown, which was contrary to established procedure. This begs the question of whether the initial “clerical error” was committed by Ms. Shropshire, who concedes

that she gave the Notice of Patent Expiration to Mr. Candal first without giving it to Ms. Brown, contrary to established procedure. Petitioner will note that Section 711.03(c)(2) of the Manual of Patent Examining Procedure, which provides, in pertinent part that:

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (A) the error was the cause of the delay at issue;
- (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and
- (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

In establishing unavoidable delay, petitioner will need to make the above-cited showing as it pertains to Ms. Shropshire and Ms. Brown. Such showing must elaborate upon the training of both employees as iterated by their supervisors and other persons with first hand knowledge of their training and duties.

It is further noted the petitioner, and the statement of Gwendolyn Spratt (who was an attorney at Needle & Rosenberg until July 31, 2009) states that Needle & Rosenberg held on to a few of the active patent files even once the government contract was awarded to the new law firms so as to deplete the funds remaining under the contract of Needle & Rosenberg. Once the funds were depleted, Ms. Spratt indicates that all files, whether inactive or active, were boxed up and sent directly to CDC which is apparently contrary to the established procedure between Needle & Rosenberg and the CDC. Petitioner should address why Needle & Rosenberg took a course of action that was contrary to established procedure. Further, it is requested that petitioner explain what the close-out procedures were between the CDC and Needle & Rosenberg were, i.e., how were remaining files to be handled after the funds were depleted. It is reasonable to think that if the CDC and Needle & Rosenberg agreed that Needle & Rosenberg would hold on to some of the files in order to deplete funds that an agreement was also reached as to how to handle remaining files once the funds were depleted.

### **Petitioner's Current Options**

#### **I. Petitioner may file a request for reconsideration.**

If reconsideration of this decision is desired, a petition for reconsideration must be filed within TWO (2) MONTHS from the mail date of this decision.<sup>8</sup> The petition for reconsideration should be titled "Petition

---

A reasonable and prudent person would not rely on maintenance fee reminders from the Office for two reasons. First, the Office has indicated that such reminders are a mere courtesy and has reserved the right to discontinue such reminders at any time.

for Reconsideration under 37 CFR 1.378(b).” Any petition for reconsideration for this decision must be accompanied by a non-refundable petition fee of \$400.00 as set forth in 37 CFR 1.17(h).

After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. It is, therefore, extremely important that petitioner supply any and all relevant information and documentation with the request for reconsideration. The Commissioner’s decision will be based solely on the administrative record in existence. Petitioner should remember that is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence “to show” that the delay was unavoidable. If a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

II. Petitioner may request a refund of the maintenance fee and surcharge which accompanied the petition.

Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section. A copy of this decision should accompany petitioner’s request.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Commissioner for Patent  
Mail Stop Petitions  
Box 1450  
Alexandria, VA 22313-1460

By facsimile: (571) 273-8300  
Attn: Office of Petitions

Telephone inquiries concerning this decision should be directed to the undersigned at (571) 272-3222.

/Kenya A. McLaughlin/

Kenya A. McLaughlin  
Petition Attorney  
Office of Petitions

---

second, such reminders may be lost in the mail. A reasonable and prudent person, in regard to his most important business would not rely solely on reminders that the Office may or may not send which may or may not be lost in the mail.

<sup>8</sup>No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). This is not a final agency action within the meaning of 5 U.S.C. § 704.